[COMMITTEE PRINT]

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[PROPOSED RECONCILIATION PROVISION]

Subtitle D—Communications

	Subtition 2 Communications
2	SEC. 3301. SPECTRUM AUCTIONS.
3	(a) Extension and Expansion of Auction Au-
4	THORITY.—
5	(1) Amendments.—Section 309(j) of the Com-
6	munications Act of 1934 (47 U.S.C. 309(j)) is
7	amended—
8	(A) by striking paragraphs (1) and (2) and
9	inserting in lieu thereof the following:
10	"(1) General authority.—If, consistent with
11	the obligations described in paragraph (6)(E), mutu-
12	ally exclusive applications are accepted for any ini-
13	tial license or construction permit which will involve
14	an exclusive use of the electromagnetic spectrum,
15	then the Commission shall grant such license or per-
16	mit to a qualified applicant through a system of
17	competitive bidding that meets the requirements of
18	this subsection.
19	"(2) Exemptions.—The competitive bidding
20	authority granted by this subsection shall not apply

1	to licenses or construction permits issued by the
2	Commission—
3	"(A) that, as the result of the Commission
4	carrying out the obligations described in para-
5	graph (6)(E), are not mutually exclusive;
6	"(B) for public safety radio services, in-
7	cluding private internal radio services used by
8	non-Government entities, that—
9	"(i) protect the safety of life, health,
10	or property; and
11	"(ii) are not made commercially avail-
12	able to the public;
13	"(C) for initial licenses or construction
14	permits assigned by the Commission to existing
15	terrestrial broadcast licensees for new terres-
16	trial digital television services; or
17	"(D) for public telecommunications serv-
18	ices, as defined in section 397(14) of the Com-
19	munications Act of 1934 (47 U.S.C. 397(14)),
20	when the license application is for channels re-
21	served for noncommercial use.";
22	(B) in paragraph (3)—
23	(i) by inserting after the second sen-
24	tence the following new sentence: "The
25	Commission shall, directly or by contract,

1	provide for the design and conduct (for
2	purposes of testing) of competitive bidding
3	using a contingent combinatorial bidding
4	system that permits prospective bidders to
5	bid on combinations or groups of licenses
6	in a single bid and to enter multiple alter-
7	native bids within a single bidding round.";
8	(ii) by striking "and" at the end of
9	subparagraph (C);
10	(iii) by striking the period at the end
11	of subparagraph (D) and inserting ";
12	and"; and
13	(iv) by adding at the end the following
14	new subparagraph:
15	"(E) ensuring that, in the scheduling of
16	any competitive bidding under this subsection,
17	an adequate period is allowed—
18	"(i) before issuance of bidding rules,
19	to permit notice and comment on proposed
20	auction procedures; and
21	"(ii) after issuance of bidding rules, to
22	ensure that interested parties have a suffi-
23	cient time to develop business plans, assess
24	market conditions, and evaluate the avail-

1	ability of equipment for the relevant serv-
2	ices.";
3	(C) in paragraph (8)—
4	(i) by striking subparagraph (B); and
5	(ii) by redesignating subparagraph
6	(C) as subparagraph (B);
7	(D) in paragraph (11), by striking "1998"
8	and inserting "2002"; and
9	(E) in paragraph (13)(F), by striking
10	"September 30, 1998" and inserting "the date
11	of enactment of the Balanced Budget Act of
12	1997".
13	(2) Conforming amendment.—Subsection (i)
14	of section 309 of the Communications Act of 1934
15	(47 U.S.C. 309(i)) is repealed.
16	(3) Effective date.—The amendment made
17	by paragraph (1)(A) shall not apply with respect to
18	any license or permit for which the Federal Commu-
19	nications Commission has accepted mutually exclu-
20	sive applications on or before the date of enactment
21	of this Act.
22	(b) Commission Obligation To Make Additional
23	SPECTRUM AVAILABLE BY AUCTION.—
24	(1) In General.—The Federal Communica-
25	tions Commission shall complete all actions nec-

1	essary to permit the assignment, by September 30,
2	2002, by competitive bidding pursuant to section
3	309(j) of the Communications Act of 1934 (47
4	U.S.C. 309(j)) of licenses for the use of bands of
5	frequencies that—
6	(A) individually span not less than 25
7	megahertz, unless a combination of smaller
8	bands can, notwithstanding the provisions of
9	paragraph (7) of such section, reasonably be ex-
10	pected to produce greater receipts;
11	(B) in the aggregate span not less than
12	100 megahertz;
13	(C) are located below 3 gigahertz;
14	(D) have not, as of the date of enactment
15	of this Act—
16	(i) been designated by Commission
17	regulation for assignment pursuant to such
18	section;
19	(ii) been identified by the Secretary of
20	Commerce pursuant to section 113 of the
21	National Telecommunications and Infor-
22	mation Administration Organization Act;
23	(iii) been allocated for Federal Gov-
24	ernment use pursuant to section 305 of the

1	Communications Act of 1934 (47 U.S.C.
2	305);
3	(iv) been designated in section 3303
4	of this Act; or
5	(v) been allocated for unlicensed use
6	pursuant to part 15 of the Commission's
7	regulations (47 C.F.R. Part 15), if the
8	competitive bidding for licenses would
9	interfere with operation of end-user prod-
10	ucts permitted under such regulations; and
11	(E) notwithstanding section 115(b)(1)(B)
12	of the National Telecommunications and Infor-
13	mation Administration Organization Act (47
14	U.S.C. 925(b)(1)(B)) or any proposal pursuant
15	to such section, include frequencies at 1,710-
16	1,755 megahertz.
17	(2) Criteria for reassignment.—In making
18	available bands of frequencies for competitive bid-
19	ding pursuant to paragraph (1), the Commission
20	shall—
21	(A) seek to promote the most efficient use
22	of the spectrum;
23	(B) take into account the cost to incum-
24	bent licensees of relocating existing uses to

1	other bands of frequencies or other means of
2	communication; and
3	(C) comply with the requirements of inter-
4	national agreements concerning spectrum allo-
5	cations.
6	(3) Notification to NTIA.—The Commission
7	shall notify the Secretary of Commerce if—
8	(A) the Commission is not able to provide
9	for the effective relocation of incumbent licens-
10	ees to bands of frequencies that are available to
11	the Commission for assignment; and
12	(B) the Commission has identified bands
13	of frequencies that are—
14	(i) suitable for the relocation of such
15	licensees; and
16	(ii) allocated for Federal Government
17	use, but that could be reallocated pursuant
18	to part B of the National Telecommuni-
19	cations and Information Administration
20	Organization Act (as amended by this
21	Act).
22	(4) Protection of Space Research Uses.—
23	The licenses assigned pursuant to paragraph (1)
24	shall require licensees to avoid interference with
25	communications in space research and earth explo-

- 1 ration-satellite services authorized under notes 750A
- and US90 to section 2.106 of the regulations of the
- 3 Federal Communications Commission (47 C.F.R.
- 4 2.106) as in effect on the date of enactment of this
- 5 Act.
- 6 (c) Identification and RealLocation of Fre-
- 7 QUENCIES.—The National Telecommunications and Infor-
- 8 mation Administration Organization Act (47 U.S.C. 901
- 9 et seq.) is amended—
- 10 (1) in section 113, by adding at the end the fol-
- 11 lowing new subsection:
- 12 "(f) Additional Reallocation Report.—If the
- 13 Secretary receives a notice from the Commission pursuant
- 14 to section 3301(b)(3) of the Balanced Budget Act of 1997,
- 15 the Secretary shall prepare and submit to the President,
- 16 the Commission, and the Congress a report recommending
- 17 for reallocation for use other than by Federal Government
- 18 stations under section 305 of the 1934 Act (47 U.S.C.
- 19 305), bands of frequencies that are suitable for the uses
- 20 identified in the Commission's notice. The Commission
- 21 shall, not later than one year after receipt of such report,
- 22 prepare, submit to the President and the Congress, and
- 23 implement, a plan for the immediate allocation and assign-
- 24 ment of such frequencies under the 1934 Act to incumbent

1	licencees described in section 3301(b)(3) of the Balanced
2	Budget Act of 1997."; and
3	(2) in section $114(a)(1)$, by striking "(a) or
4	(d)(1)" and inserting "(a), $(d)(1)$, or (f) ".
5	(d) Identification and RealLocation of
6	AUCTIONABLE FREQUENCIES.—The National Tele-
7	communications and Information Administration Organi-
8	zation Act (47 U.S.C. 901 et seq.) is amended—
9	(1) in section 113(b)—
10	(A) by striking the heading of paragraph
11	(1) and inserting "Initial realLocation re-
12	PORT";
13	(B) by inserting "in the first report re-
14	quired by subsection (a)" after "recommend for
15	reallocation" in paragraph (1);
16	(C) by inserting "or (3)" after "paragraph
17	(1)" each place it appears in paragraph (2);
18	and
19	(D) by inserting after paragraph (2) the
20	following new paragraph:
21	"(3) Second realLocation report.—In ac-
22	cordance with the provisions of this section, the Sec-
23	retary shall recommend for reallocation in the sec-
24	ond report required by subsection (a), for use other
25	than by Federal Government stations under section

1	305 of the 1934 Act (47 U.S.C. 305), a band or
2	bands of frequencies that—
3	"(A) in the aggregate span not less than
4	20 megahertz;
5	"(B) individually span not less than 20
6	megahertz, unless a combination of smaller
7	bands can reasonably be expected to produce
8	greater receipts;
9	"(C) are located below 3 gigahertz; and
10	"(D) meet the criteria specified in para-
11	graphs (1) through (5) of subsection (a)."; and
12	(2) in section 115—
13	(A) in subsection (b), by striking "the re-
14	port required by section 113(a)" and inserting
15	"the initial reallocation report required by sec-
16	tion 113(a)"; and
17	(B) by adding at the end the following new
18	subsection:
19	"(c) Allocation and Assignment of Fre-
20	QUENCIES IDENTIFIED IN THE SECOND REALLOCATION
21	Report.—With respect to the frequencies made available
22	for reallocation pursuant to section 113(b)(3), the Com-
23	mission shall, not later than one year after receipt of the
24	second reallocation report required by such section, pre-
25	pare, submit to the President and the Congress, and im-

1	plement, a plan for the immediate allocation and assign-
2	ment under the 1934 Act of all such frequencies in accord-
3	ance with section 309(j) of such Act.".
4	(e) Minimum Recovery for Public Required.—
5	(1) Methodology to secure minimum
6	AMOUNTS REQUIRED.—In establishing, pursuant to
7	section 309(j)(3) of the Communications Act of
8	1934 (47 U.S.C. 309(j)(3)), a competitive bidding
9	methodology with respect to the frequencies required
10	to be assigned by competitive bidding under sub-
11	section (b) of this section and section 115(c) of the
12	National Telecommunications and Information Ad-
13	ministration Organization Act (47 U.S.C. 925(e)),
14	the Commission shall establish procedures that are
15	designed to secure winning bids totaling not less
16	than two-thirds of \$7,500,000,000.
17	(2) Authority.—In establishing such meth-
18	odology, the Commission is authorized—
19	(A) to partition the total required to be ob-
20	tained under paragraph (1) among separate
21	competitive bidding proceedings, or among sep-
22	arate bands, regions, or markets;
23	(B) to void any such separated competitive
24	bidding proceeding that fails to obtain the par-

1	titioned subtotal that pertains to that proceed-
2	ing; and
3	(C) to prescribe minimum bids or other
4	bidding requirements to obtain such total or
5	subtotal.
6	(3) Licenses withheld.—Notwithstanding
7	any other requirement of this section, or the amend-
8	ments made by this section, the Commission shall
9	refrain from conducting any competitive bidding
10	pursuant to the methodology established pursuant to
11	this subsection unless the Commission determines
12	that such methodology will secure winning bids to-
13	taling not less than two-thirds of \$7,500,000,000.
14	(4) Authority to rebid at a later time to
15	SECURE STATUTORY OBJECTIVES.—Nothing in para-
16	graph (2) or (3) shall preclude or limit the Commis-
17	sion from assigning the frequencies described in
18	paragraph (1) by competitive bidding at such later
19	date (than the date required by this section) as the
20	Commission determines, in its discretion, will better
21	attain the objectives of recovering for the public a
22	fair portion of the value of the public spectrum re-

source and avoiding unjust enrichment.

23

1	SEC. 3302. AUCTION OF RECAPTURED BROADCAST TELE-
2	VISION SPECTRUM.
3	Section 309(j) of the Communications Act of 1934
4	(47 U.S.C. 309(j)) is amended by adding at the end the
5	following new paragraph:
6	"(14) Auction of recaptured broadcast
7	TELEVISION SPECTRUM.—
8	"(A) Limitations on terms of terres-
9	TRIAL TELEVISION BROADCAST LICENSES.—A
10	television license that authorizes analog tele-
11	vision services may not be renewed to authorize
12	such service for a period that extends beyond
13	December 31, 2006. The Commission shall
14	grant by regulation an extension of such date to
15	licensees in a market if the Commission deter-
16	mines that more than 5 percent of households
17	in such market continue to rely exclusively on
18	over-the-air terrestrial analog television signals.
19	"(B) Spectrum reversion and re-
20	SALE.—
21	"(i) The Commission shall ensure
22	that, when the authority to broadcast ana-
23	log television services under a license ex-
24	pires pursuant to subparagraph (A), each
25	licensee shall return spectrum according to

1	the Commission's direction and the Com-
2	mission shall reclaim such spectrum.
3	"(ii) Licensees for new services occu-
4	pying spectrum reclaimed pursuant to
5	clause (i) shall be selected in accordance
6	with this subsection. The Commission shall
7	start such selection process by July 1,
8	2001, with payment pursuant to rules es-
9	tablished by the Commission under this
10	subsection.
11	"(C) MINIMUM RECOVERY FOR PUBLIC RE-
12	QUIRED.—
13	"(i) Methodology to secure mini-
14	MUM AMOUNTS REQUIRED.—In establish-
15	ing, pursuant to section 309(j)(3) of the
16	Communications Act of 1934 (47 U.S.C.
17	309(j)(3)), a competitive bidding methodol-
18	ogy with respect to the frequencies re-
19	quired to be assigned by competitive bid-
20	ding under subparagraph (B) of this para-
21	graph, the Commission shall establish pro-
22	cedures that are designed to secure win-
23	ning bids totaling not less than two-thirds
24	of \$4,000,000,000.

1	"(ii) Authority.—In establishing
2	such methodology, the Commission is au-
3	thorized—
4	"(I) to partition the total re-
5	quired to be obtained under clause (i)
6	among separate competitive bidding
7	proceedings, or among separate
8	bands, regions, or markets;
9	"(II) to void any such separated
10	competitive bidding proceeding that
11	fails to obtain the partitioned subtotal
12	that pertains to that proceeding; and
13	"(III) to prescribe minimum bids
14	or other bidding requirements to ob-
15	tain such aggregate total.
16	"(iii) Licenses withheld.—Not-
17	withstanding any other requirement of this
18	paragraph, the Commission shall refrain
19	from conducting any competitive bidding
20	pursuant to the methodology established
21	pursuant to this subparagraph unless the
22	Commission determines that such meth-
23	odology will secure winning bids totaling
24	not less than two-thirds of
25	\$4,000,000,000.

1	"(iv) Authority to rebid at a
2	LATER TIME TO SECURE STATUTORY OB-
3	Jectives.—Nothing in clause (ii) or (iii)
4	shall preclude or limit the Commission
5	from assigning the frequencies described in
6	clause (i) by competitive bidding at such
7	later date (than the date required by this
8	paragraph) as the Commission determines.
9	in its discretion, will better attain the ob-
10	jectives of recovering for the public a fair
11	portion of the value of the public spectrum
12	resource and avoiding unjust enrichment.
13	"(D) CERTAIN LIMITATIONS ON QUALIFIED
14	BIDDERS PROHIBITED.—In prescribing any reg-
15	ulations relating to the qualification of bidders
16	for spectrum reclaimed pursuant to subpara-
17	graph (B)(i), the Commission shall not—
18	"(i) preclude any party from being a
19	qualified bidder for spectrum that is allo-
20	cated for any use that includes digital tele-
21	vision service on the basis of—
22	"(I) the Commission's duopoly
23	rule (47 C.F.R. 73.3555(b)); or

1	"(II) the Commission's news-
2	paper cross-ownership rule (47 C.F.R.
3	73.3555(d)); or
4	"(ii) apply either such rule to preclude
5	such a party that is a successful bidder in
6	a competitive bidding for such spectrum
7	from using such spectrum for digital tele-
8	vision service.
9	"(E) Definitions.—As used in this para-
10	graph:
11	"(i) The term 'digital television serv-
12	ice' means television service provided using
13	digital technology to enhance audio quality
14	and video resolution, as further defined in
15	the Memorandum Opinion, Report, and
16	Order of the Commission entitled 'Ad-
17	vanced Television Systems and Their Im-
18	pact Upon the Existing Television Service',
19	MM Docket No. 87–268 and any subse-
20	quent Commission proceedings dealing
21	with digital television.
22	"(ii) The term 'analog television serv-
23	ice' means service provided pursuant to the
24	transmission standards prescribed by the

1	Commission in section 73.682(a) of its reg-
2	ulation (47 CFR 73.682(a)).".
3	SEC. 3303. ALLOCATION AND ASSIGNMENT OF NEW PUBLIC
4	SAFETY AND COMMERCIAL LICENSES.
5	(a) In General.—The Federal Communications
6	Commission shall, not later than January 1, 1998, allocate
7	on a national, regional, or market basis, from radio spec-
8	trum between 746 megahertz and 806 megahertz—
9	(1) 24 megahertz of that spectrum for public
10	safety services according to the terms and conditions
11	established by the Commission, unless the Commis-
12	sion determines that the needs for public safety serv-
13	ices can be met in particular areas with allocations
14	of less than 24 megahertz; and
15	(2) the remainder of that spectrum for commer-
16	cial purposes to be assigned by competitive bidding
17	in accordance with section 309(j).
18	(b) Assignment.—The Commission shall—
19	(1) assign the licenses for public safety created
20	pursuant to subsection (a) no later than March 31,
21	1998; and
22	(2) commence competitive bidding for the com-
23	mercial licenses created pursuant to subsection (a)
24	no later than July 1, 2001.

1	(c) LICENSING OF UNUSED FREQUENCIES FOR PUB-
2	LIC SAFETY RADIO SERVICES.—
3	(1) Use of unused channels for public
4	SAFETY.—It shall be the policy of the Commission
5	notwithstanding any other provision of this Act or
6	any other law, to waive whatever licensee eligibility
7	and other requirements (including bidding require-
8	ments) are applicable in order to permit the use of
9	unassigned frequencies for public safety purposes by
10	a State or local governmental agency upon a show-
11	ing that—
12	(A) no other existing satisfactory public
13	safety channel is immediately available to sat-
14	isfy the requested use;
15	(B) the proposed use is technically feasible
16	without causing harmful interference to existing
17	stations in the frequency band entitled to pro-
18	tection from such interference under the rules
19	of the Commission; and
20	(C) use of the channel for public safety
21	purposes is consistent with other existing public
22	safety channel allocations in the geographic
23	area of proposed use.
24	(2) Applicability.—Paragraph (1) shall apply
25	to any application that is pending before the Federal

1	Communications Commission, or that is not finally
2	determined under either section 402 or 405 of the
3	Communications Act of 1934 (47 U.S.C. 402, 405)
4	on May 15, 1997, or that is filed after such date.
5	(d) Conditions on Licenses.—With respect to
6	public safety and commercial licenses granted pursuant to
7	this subsection, the Commission shall—
8	(1) establish interference limits at the bound-
9	aries of the spectrum block and service area;
10	(2) establish any additional technical restric-
11	tions necessary to protect full-service analog tele-
12	vision service and digital television service during a
13	transition to digital television service; and
14	(3) permit public safety and commercial licens-
15	ees—
16	(A) to aggregate multiple licenses to create
17	larger spectrum blocks and service areas; and
18	(B) to disaggregate or partition licenses to
19	create smaller spectrum blocks or service areas.
20	(e) Minimum Recovery for Public Required.—
21	(1) Methodology to secure minimum
22	AMOUNTS REQUIRED.—In establishing, pursuant to
23	section 309(j)(3) of the Communications Act of
24	1934 (47 U.S.C. 309(j)(3)), a competitive bidding
25	methodology with respect to the frequencies required

1	to be assigned by competitive bidding under this sec-
2	tion, the Commission shall establish procedures that
3	are designed to secure winning bids totaling not less
4	than two-thirds of \$1,900,000,000.
5	(2) Authority.—In establishing such meth-
6	odology, the Commission is authorized—
7	(A) to partition the total required to be ob-
8	tained under paragraph (1) among separate
9	competitive bidding proceedings, or among sep-
10	arate bands, regions, or markets;
11	(B) to void any such separated competitive
12	bidding proceeding that fails to obtain the par-
13	titioned subtotal that pertains to that proceed-
14	ing; and
15	(C) to prescribe minimum bids or other
16	bidding requirements to obtain such total or
17	subtotal.
18	(3) Licenses withheld.—Notwithstanding
19	any other requirement of this section, the Commis-
20	sion shall refrain from conducting any competitive
21	bidding pursuant to the methodology established
22	pursuant to this subsection unless the Commission
23	determines that such methodology will secure win-
24	ning bids totaling not less than two-thirds of
25	\$1,900,000,000.

1	(4) Authority to rebid at a later time to
2	SECURE STATUTORY OBJECTIVES.—Nothing in para-
3	graph (2) or (3) shall preclude or limit the Commis-
4	sion from assigning the frequencies described in
5	paragraph (1) by competitive bidding at such later
6	date (than the date required by this section) as the
7	Commission determines, in its discretion, will better
8	attain the objectives of recovering for the public a
9	fair portion of the value of the public spectrum re-
10	source and avoiding unjust enrichment.
11	(f) Protection of Qualifying Low-Power Sta-
12	TIONS.—Prior to making any allocation or assignment
13	under this section the Commission shall assure that each
14	qualifying low-power television station is assigned a fre-
15	quency below 746 megahertz to permit the continued oper-
16	ation of such station.
17	(g) Definitions.—For purposes of this section:
18	(1) Commission.—The term "Commission"
19	means the Federal Communications Commission.
20	(2) DIGITAL TELEVISION SERVICE.—The term
21	"digital television service" means television service
22	provided using digital technology to enhance audio
23	quality and video resolution, as further defined in
24	the Memorandum Opinion, Report, and Order of the
25	Commission entitled 'Advanced Television Systems

1	and Their Impact Upon the Existing Television
2	Service', MM Docket No. 87–268 and any subse-
3	quent Commission proceedings dealing with digital
4	television.
5	(3) Analog television service.—The term
6	"analog television service" means services provided
7	pursuant to the transmission standards prescribed
8	by the Commission in section 73.682(a) of its regu-
9	lation (47 CFR 73.682(a)).
10	(4) Public safety services.—The term
11	"public safety services" means services—
12	(A) the sole or principal purpose of which
13	is to protect the safety of life, health, or prop-
14	erty;
15	(B) that are provided—
16	(i) by State or local government enti-
17	ties; or
18	(ii) by nongovernmental, private orga-
19	nizations that are authorized by a govern-
20	mental entity whose primary mission is the
21	provision of such services; and
22	(C) that are not made commercially avail-
23	able to the public by the provider.
24	(5) Service area.—The term "service area"
25	means the geographic area over which a licensee

1	may provide service and is protected from inter-
2	ference.
3	(6) Spectrum block.—The term "spectrum
4	block" means the range of frequencies over which
5	the apparatus licensed by the Commission is author-
6	ized to transmit signals.
7	(7) Qualifying low-power television sta-
8	TIONS.—A station is a qualifying low-power tele-
9	vision station if—
10	(A) during the 90 days preceding the date
11	of enactment of this Act—
12	(i) such station broadcast a minimum
13	of 18 hours per day;
14	(ii) such station broadcast an average
15	of at least 3 hours per week of program-
16	ming that was produced within the com-
17	munity of license of such station; and
18	(iii) such station was in compliance
19	with the requirements applicable to low-
20	power television stations; or
21	(B) the Commission determines that the
22	public interest, convenience, and necessity
23	would be served by treating the station as a
24	qualifying low-power television station for pur-
25	poses of this section.

1 SEC. 3304. INQUIRY REQUIRED.

- 2 The Federal Communications Commission shall, not
- 3 later than July 1, 1997, initiate the inquiry required by
- 4 section 309(j)(12) of the Communications Act of 1934 (47)
- 5 U.S.C. 309(j)(12)) for the purposes of collecting the infor-
- 6 mation required for its report under each of subpara-
- 7 graphs (A) through (E) of such section, and shall keep
- 8 the Congress fully and currently informed with respect to
- 9 the progress of such inquiry.